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Written Testimony of the **Caring Ambassadors Program**

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Testimony, Public Hearing HB 4005

Oregon House Health and Human Services Committee

February 5, 2018

Dear Chair Greenlick, Representative Nosse and Committee members,

The Caring Ambassadors Program (CAP) is a national, nonprofit, advocacy organization based in Oregon City, Oregon. We are writing to express our concerns about HB 4005. We understand and agree that the cost of prescription drugs is a growing and legitimate threat to our state's residents and healthcare delivery system. However, as currently written, we do not believe it goes far enough in solving the problem of high priced drugs.

We advocate for people living with hepatitis C, a disease which perfectly embodies the devastating toll of high prescription drug costs. No disease state has incurred more discrimination and restrictions on access to safe, effective prescriptions drugs than hepatitis C; although the drugs used to treat hepatitis C have a cure rate of over 95%, many afflicted with this disease never receive treatment due to policies that reflect both the highly stigmatized nature of hepatitis C and the original cost of the drugs used to cure it. This has resulted in more than 1,000 Oregonians dying from hepatitis C in the 2+ years you have been debating solutions for all high-priced drugs. What is the true and actual cost of that to our state? To our communities?

In those same years the Oregon state pension plan has even purchased one of the manufacturers stock and is making money off the cost of these drugs.

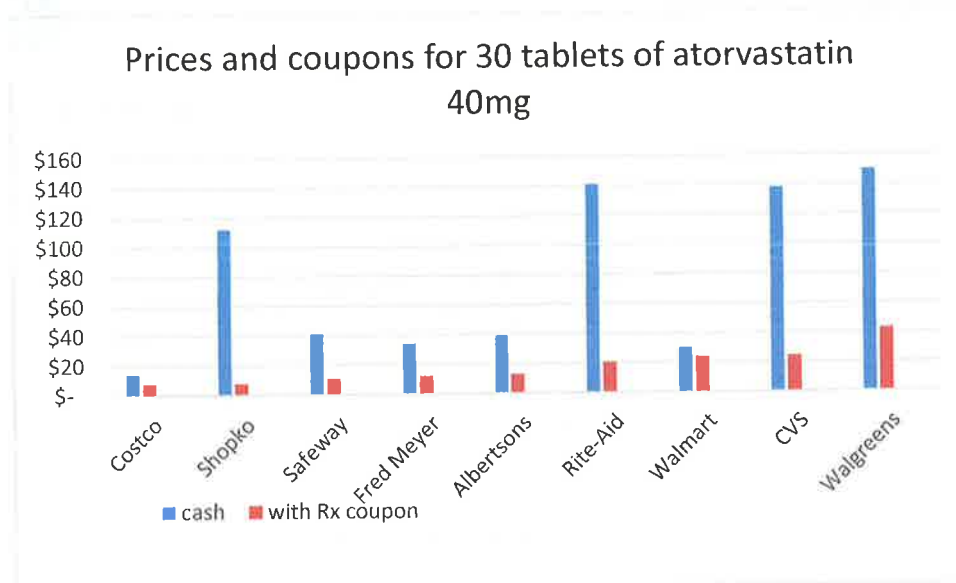
Oregonians need active negotiations by the state to secure the best possible price on all drugs. We expect transparency from manufacturers and insurers, but also from CCO's and pharmacy benefit managers. Give us the reports documenting costs across the supply chain that show actual dollars spent not retail costs. Provide reports that highlight the human cost of prescription drug prices that show how many patients were **never** given a prescription because the doctor, or CCO, or the state, deemed the drug was too expensive to give to that individual. Will HB 4005 deliver a report that clearly shows consumers the benefits they received from the rebates given by manufacturers?

Transparency is an important factor when addressing prescription drug costs, but in our opinion, a single state pharmacy benefit manager, or a bulk purchasing program, that has the purchasing power behind them for the entire state would do more to control pricing than HB 4005. A quick search on the internet shows the variability in prescription drug prices that exists among retailers in the same neighborhood (not to mention the disparities insurance considerations also throw into the mix). Bulk purchasing could control much of the

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variability in retail prescription drug pricing, allowing consumers to appropriately budget for their medications by paying a standard-rate price representing the actual cost of the drug. Bulk purchasing has the potential to lower drug prices for all Oregonians, and in doing so, increase prescription adherence, improving the health of our State.



The negative externalities of HB 4005, if enacted as written, should not be ignored. The fiscal impact on our state includes hiring, training, and compensation for the full-time employees necessary to manage and analyze reporting information, enforce and collect fines, report to the legislature, and hold public hearings. These costs may be warranted to enact policies shown to effectively lower drug prices for all, but the narrow transparency and reporting measures outlined in HB4005 will not have any significant impact on the cost of drugs, and may actually limit access to specialty drugs for the sickest Oregonians.

Please continue to work on this bill, but let's make it transparency for all and not just for manufacturers. Let's consider creative purchasing options.

Thank you for your time and consideration. CAP greatly appreciates the work you and state agencies are doing to reach the goals of the Oregon Health Authority; improved lifelong health, increased accessibility to quality care and affordable care.

Sincerely,

Executive Director

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